

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	4.232 (7.5 bps)	Bond Buyer 40 Yield:	4.70 (-27 bps)
6 Mo. T-Bill:	4.613 (8.5 bps)	Crude Oil Futures:	80.08 (-8.88)
1 Yr. T-Bill:	4.692 (14.3 bps)	Gold Spot:	1,750.68 (-20.56)
2 Yr. T-Note:	4.533 (20.1 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.297 (11.0 bps)	US High Yield:	8.90 (-9 bps)
5 Yr. T-Note:	4.008 (7.1 bps)	BB:	7.25 (-4 bps)
10 Yr. T-Note:	3.829 (1.6 bps)	B:	9.13 (-10 bps)
30 Yr. T-Bond:	3.926 (-8.9 bps)		

Inflation pressures showed further signs of easing last week as growth in the Producer Price Index (PPI) slowed more than expected in October. The PPI increased 0.2% in October compared to the expected increase of 0.4%. September's gain was also revised down to 0.2% from 0.4%. Prices rose 8.0% from last year, which was also lower than expected and less than September's 8.4% revised increase. It was the fourth consecutive decline in the PPI's yearly increase, which peaked at 11.7% in March. The report comes on the heels of the prior week's slower-than-expected CPI report, which has also eased in four consecutive months compared to a year ago. Supply-chain issues have eased significantly in recent months, helping to reduce pricing pressure. Despite easing inflation, the Fed reiterated it has further to go to tame inflation while parts of the economy remain strong. Initial jobless claims came in below expectations last week, suggesting continued strength in the labor market despite the Fed's efforts to slow the economy. Retail sales also grew more than expected in October, rising 1.3% over the prior month. The gains were broad-based across categories but are not adjusted for inflation. However, rising interest rates weighed heavily on existing home sales, which declined 5.9% in October from the prior month and 28.4% from last year. The annual decline was the largest since February 2008. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Wednesday: November 19 Initial Jobless Claims (225k, 222k), November Final U. of Mich. Sentiment (55.2, 54.7), October Preliminary Durable Goods Orders (0.4%, 0.4%), October New Home Sales (570k, 603k), November 18 MBA Mortgage Applications (N/A, 2.7%), November Preliminary S&P Global US Manufacturing PMI (50.0, 50.4).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	33,745.69 (0.11%)	Strong Sectors:	Cons. Staples, Info. Tech, Utilities
S&P 500:	3,965.34 (-0.61%)	Weak Sectors:	Real Estate, Energy, Cons. Discretionary
S&P Midcap:	2,510.63 (-0.80%)	NYSE Advance/Decline:	1,484 / 1,928
S&P Smallcap:	1,218.14 (-1.09%)	NYSE New Highs/New Lows:	192 / 131
NASDAQ Comp:	11,146.06 (-1.50%)	AAll Bulls/Bears:	33.5% / 40.2%
Russell 2000:	1,849.73 (-1.70%)		

Equities resumed their downward trend last week after Fed members made some hawkish comments. Equities were positive to start last week, however, Thursday St. Louis Fed Chair James Bullard said policymakers would likely need to raise the fed funds rate to at least 5%. This was higher than previous expectations and sent stocks lower and interest rates up as the S&P 500 index returned -0.61% with energy and real estate the weakest two sectors last week. Oil dropped from \$88.96 down to \$80.08 as risks from a global recession risks and Chinese demand were being priced into the commodity. There continued to be earnings announcements last week. **Nvidia Corp.** announced quarterly results that were mostly in line with expectations as their global gaming demand was strong. However, they did state that new China gaming rules were resetting some expectations and they guided their 2023 revenue for little growth next year which sent shares 5.62% lower last week. Traditional retail stocks received a shot in the arm last week after Walmart, Ross Stores, Lowes and others released strong quarterly results. **Walmart Inc.** announced same store sales up over 8% and posted strong guidance as well as announcing a \$20b stock buyback program, shares rallied 5.37% last week. **Ross Stores Inc.** rallied 11.87% last week after announcing 3Q earnings higher than expectations and guiding positive expectations on the all-important Christmas shopping seasons. On Wednesday, **Lowes Co's Inc.** was up 3.01% after announcing revenue and earnings above expectations due to margin improvements as well as additional share buybacks and strong 2023 expectations. Looking ahead to next week's Thanksgiving shortened trading week, we expect some economic updates on consumer confidence, home sales and PMIs.

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